

Message Text

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ACTION EUR-25

INFO OCT-01 NEA-14 IO-14 ISO-00 SP-03 AID-20 EB-11 NSC-07

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FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 7301

INFO AMEMBASSY AMMAN

AMEMBASSY BEIRUT

AMEMBASSY DAMASCUS

AUMISSION GENEVA 267

AMCONSUL JERUSALEM

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY TEL AVIV

AMEMBASSY TUNIS

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E.O. 11652: GDS

TAGS: PFOR EG US

SUBJ: EGYPTIAN REACTION TO PRESIDENT NIXON'S VIST

GENEVA FOR MEPC DEL

LONDON FOR LAMBRAKIS

SUMMARY: PRESIDENT NIXON'S VISIT TO EGYPT WAS, AS PRESIDENT SADAT
DESCRIBED IT TO THE AMBASSADOR, "WONDERFUL".

PRESS AND ALL LEVELS OF PUBLIC CONTINUE TO
REFLECT AIR OF EXCITEMENT AND OF CERTAINTY THAT EGYPT AND US HAVE
CHARTED POSITIVE NEW COURSE FOR THEIR RELATIONS. EGYPTIAN
ECONOMIC AND COMMERCIAL EXPECTATIONS ARE, HOWEVER, EUPHORICALLY
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INFLATED, AND \$2 BILLION FIGURE HAS BEEN MISUNDERSTOOD IN SOME

CIRCLES WHICH SHOULD KNOW BETTER. END SUMMARY.

1. AS PRESIDENT SADAT TOLD AMBASSADOR AFTER DEPARTURE CEREMONY, PRESIDENT NIXON'S VISIT WAS "WONDERFUL". SADAT'S OWN DOMESTIC POLITICAL STATURE WAS FURTHER ENHANCED BY HIS SUCCESS IN BRINGING THE PRESIDENT TO EGYPT, AND HE HAS GAINED IMPORTANT POLITICAL CREDIT FROM THE WIDESPREAD BELIEF THAT AS A RESULT OF THE VISIT THE US AND EGYPT HAVE CHARTED A POSITIVE NEW COURSE FOR THEIR BILATERAL RELATIONS. PROFOUND DELIGHT THAT US HAS BECOME EGYPT'S CHIEF SUPER POWER FRIEND, DEPOSING THE HEARTILY DISLIKED SOVIETS, IS A RECORRENT THEME IN PRIVATE COVERSATION AND IS STRONGLY IMPLIED IN PRESS COMMENTARY..

2.PREDICTABLY, DECLARATION OF PRINCIPLES HAS BEEN DUBBED "THE CAIRO DECLARATION". MUCH ATTENTION IS FOCUSED ON INCLUSION THEREIN OF THE REFERENCE TO THE PALESTINIANS. HOWEVER, ITS SPECIFIC REFERENCE TO "LEGIMATE INTERESTS" OF PALESTINIANS IS BEING GENERALLY CAST AS "RIGHTS" OF PALESTINIANS. EDITORIALS HAVE REGISTERED PLEASURE THAT US PRESIDENT HAS BEEN "FULLY PERSUADED" (AHRAM) THAT RIGHTS OF PALESTINIANS AS NATIONS, NOT SIMPLY GROUP OF REFUGEES, SHOULD BE RESPECTED.

3. ATTENTION IS ALSO BEING GIVEN TO REFERENCE TO STRENGTHENING EGYPTIAN FINANCIAL STRUCTURE, A PHRASE WHICH IS INTERPRETED AS SIGNIFYING A CONSIDERABLE INFUSION OF HARD CURRENCY INTO EGYPT. SOME EGYPTIAN OFFICIALS AND BANKERS ARE TALKING ABOUT \$2 BILLION (A FIGURE CONCEPTUALLY BASED ON USAID TO ISRAEL) AND ARE SPEAKING OF SOON HAVING THE HARD CURRENCY ASSETS TO PAY OF THEIR HARD CURRENCY DEBTS. UPCOMING VISIT OF TREASURY SECRETARY SIMON IS VIEWED BY MOST IN THATLIGHT. FURTHER, UNREALISTIC ESTIMATES OF PRIVATE AMERICAN INVESTMENT ARE BEING PARLAYED INTO INFLATED EXPECTATIONS OF US PUBLIC CAPITAL INFLOW. FAHMY, FOR EXAMPLE, TOLD JOURNALIST JUNE 17 THAT \$2 BILLION IS ESTIMATE OF PRIVATE SECTOR INVESTMENT, BUT THAT "THERE IS THE DIRECT GOVERNMENTAL AID WHICH CONSTITUES A DEFINITE CONTRIBUTION TOWARD SPECIFIC PROJECTS". THE PROPOSED WORKING PARTIES ARE WIDELY HERALED AS HARBINGERS OF MASSIVE US HELP IN THE FIELDS OF THEIR PSICIALIZATION. THERE IS MUCH EMPHASIS THAT ACTION MUST BE TAKEN QUICKLY.

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4. SEVERAL SPECIFIC FEATURES OF THE PRESIDENT'S VISIT HAVE RECEIVED SPECIAL COMMENT. FIRST, HIS WILLINGNESS TO RIDE IN AN OPEN CAR THROUGH CAIRO AND ALEXANDRIA AND TO STOP TO SHAKE HANDS MADE A DEEP IMPRESSION. SECOND, THE PRESIDENT'S EXTEMPO-RANEOUS SPEECHES HAVE ELICITED WIDE ADMIRATION. THIRD, THE GENUINE OUTPOURING OF FEELING BY THE CROWDS ALONG THE MOTORCADE ROUTES EXCEEDED THE HIGHEST EXPECTATIONS OF GOE PLANNERS, AND FAR EXCEEDED WELCOME ACCORDED ANY OTHER VISITOR IN RECENT MEMORY.

5. MEDIA COVERAGE OF VISIT HAS BEEN EXTRAORDINARILY HEAVY. ENTIRE FRONT PAGES OF CAIRO PAPERS JUNE 15 WERE DEVOTED TO ARRIVAL OF PRESIDENT AND FEATURED 5 COLUMN PICUTES. EDITORIALS AND COMMEN-TARIES CONTINUE TO LAUD PRESIDENT NIXON'S PERSONAL ROLE IN CHANGING US FOREIGN POLICY. PRESS PLAY OF SUBSEQUENT STOPS ON TOUR PUT BEST POSSIBLE GLOSS ON EVENTS. THUS HEADLINES JUNE 19 DESCRIBE "BITTERNESS" PERVADING ISRAEL DUE TO USG TREND TOWARD A "BALANCED POLICY" IN ME, AND QUOTES PRESIDENT NIXON AS SAYING "ISRAEL MUST CHANGE HER STAND". PAPER ALSO REPORTS WITH SOME SMUGNESS THAT PM RABIN TOLD PRESS CONFERENCE THAT HE ASKED TWO EXPERTS FOR AN OPINION ON THE RISKS INVOLVED IN US PROVIDING NUCLEAR FUEL AND TECHNOLOGY TO EGYPT.

6. IN SHORT, VISIT HAS MADE A POWERFUL IMPACT. EGYPTIANS ARE EAGERLY AWAITING TANGIBLE EVIDENCE THAT THEIR NEWLY REGAINED AMERICAN FRIENDS WILL ASSIST IN ATTAINING THEIR REGIONAL AND DOMESTIC ASPIRATIONS.

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